

## MINUTES

**California Industrial Development  
Financing Advisory Commission  
915 Capitol Mall, Room 587  
Sacramento, California  
May 22, 2007**

### **1. CALL TO ORDER & ROLL CALL**

Bettina Redway, Acting Chair, called the California Industrial Development Financing Advisory Commission (CIDFAC) meeting to order at 10:30 a.m.

Members Present: Bettina Redway for Chairman Bill Lockyer, State Treasurer  
Tom Sheehy for Michael C. Genest, Director, Department of Finance  
Cindy Aronberg (via teleconference) for John Chiang, State Controller  
Timothy L. Le Bas for Preston DuFauchard, California Corporations Commissioner,  
Department of Corporations  
Stanton Hazelroth for Dale Bonner, Agency Secretary,  
Business, Transportation and Housing Agency

Staff Present: Eileen Marxen, Deputy Executive Director

Quorum: The Chair declared a quorum

### **2. APPROVAL OF APRIL 24, 2007 MEETING MINUTES**

Ms. Redway asked if there were any additions, corrections, or deletions to the April 24, 2007 meeting minutes. There were none.

Mr. Sheehy moved to approve the minutes; upon a second, the motion was unanimously approved.

### **3. EXECUTIVE DIRECTOR'S REPORT**

Eileen Marxen opened with the Executive Director's Report. She noted that staff has added information to the pipeline to reflect job creation and job retention figures for each transaction.

Ms. Marxen further stated that staff is requesting Initial and Final Resolution approval in the amount not to exceed \$8,285,375 (TE) for CIDFAC projects presented at this meeting, and that there is a request for approval of Small Business Program (SBP) allocation for PS Print, LLC. She stated that CIDFAC staff expects transactions to come in steadily throughout the summer.

### **4. BUSINESS ITEMS**

#### **A. REQUEST TO APPROVE INITIAL AND FINAL RESOLUTIONS FOR TAX-EXEMPT (TE) BONDS**

- (1) Staff introduced Mark Garliepp, Secretary and Treasurer for Prima Noce Packing, Inc., and Dan Evans, Client Manager for Bank of America.

**On behalf of Prima Noce Packing, Inc. and/or Walnut Venture Enterprises, LLC or an affiliate thereof**, the California Municipal Finance Authority requested approval of Initial and Final Resolution No. 07-0006 for an amount not to exceed \$8,285,375 in tax-exempt bonds. The Project is located in an unincorporated area of San Joaquin County near the City of Linden. The Company is in the business of processing, shelling, sorting, and packing walnuts for distribution to domestic and international customers. Bond proceeds will be used to finance the construction and equipping of a walnut processing and packing facility. The Project was assigned a total of 28 verifiable points. The project is located in an area where the unemployment rate is 186% of the statewide average. The Company plans to hire 31 new, part-time employees and two full-time managers. Although points were not given for job creation and retention, eventually the Company hopes to employ the seasonal, part-time employees as full-time workers to work year-round through the cherry, apple, and walnut seasons.

The Company did answer affirmatively to questions contained in the legal questionnaire with regard to its affiliate, Prima Frutta, which is subject to a tax investigation by the IRS. The investigation is still outstanding. In addition, staff discovered that Prima Frutta was a defendant in a U.S. Equal Employment Opportunity Commission (EEOC) case, which was settled in April 2004. Based upon representations concerning the disclosed legal matters by the Company, and given the fact that financing is a private placement with Banc of America Public Capital Corporation, a Qualified Institutional Buyer (QIB) under federal securities laws, staff believes that the proposed financing will be fair, just, and equitable to a purchaser of the bonds and will not work a fraud upon the bond purchaser. Presented by – Deanna Hamelin.

Ms. Redway asked the Company if there was anything to add to the summary.

Mr. Garliepp replied that he appreciated the opportunity to be here.

Ms. Redway asked the board members if they had any questions or comments.

Mr. Le Bas asked if there were any common officers between Prima Noce and Prima Frutta. Mr. Garliepp responded affirmatively.

Ms. Redway asked if any one of the five specific items listed on PG&E's letter is the largest contributor to energy efficiency.

Mr. Garliepp replied that, in the walnut processing facility, the biggest energy users are the motors and aspiration equipment where shells are separated, and that the Company has purchased high efficiency motors for these operations.

Ms. Aronberg asked who are the common officers or directors in both Prima Noce and Prima Frutta and what are their positions. Mr. Garliepp replied that Tim Sambada is President and CEO of both Prima Frutta and Prima Noce.

Mr. Sheehy moved to approve the motion; upon a second, the motion was approved with two abstentions by Ms. Aronberg and Mr. Le Bas.

After the vote, Mr. Garliepp stated that the Company exports a tremendous amount of walnuts to Asia and Europe, and brings an abundance of revenue into the San Joaquin County area.

**B. REQUEST FOR TAX-EXEMPT (TE) ALLOCATION FROM THE SBP**

- (1) **PS Print, LLC and/or its successors and assigns** requested approval for the transfer of a portion of the 2007 state ceiling on qualified private activity bonds for a small issue industrial development bond project under the small business program. At the April 24, 2007 Board meeting the Initial and Final Resolution for PS Print was approved in the amount of \$3,650,000. However, the Resolution transferring a portion of the 2007 ceiling on qualified private activity bonds was omitted from the Board packages. The omission requires that staff seek Commission approval of the allocation from the small business program. The project remains the same as presented at the April 24, 2007 CIDFAC meeting.

In addition, the finance team requested that staff remove the reference to an underwriter for this transaction. The transaction remains a private placement.  
Presented by – Doreen Carle.

Mr. Hazelroth moved to approve the item; upon a second, the motion was unanimously approved.

**5. PUBIC COMMENT**

There were none.

**6. ADJOURNMENT**

There being no further business, public comments, or concerns, the meeting adjourned at 10:43 A.M.

Respectfully submitted,

Eileen Marxen  
Deputy Executive Director